

NATIONAL CREDIT UNION ADMINISTRATION

Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund

General Guidelines for Technical Assistance Grants for Credit Unions

Urgent Needs Grant -2007

Open Year-Round

1. Application
2. Instructions
3. Guidelines
4. Sample Summary Sheet

Eligible credit unions may apply for up to \$3,000.

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund
1775 Duke Street
Alexandria, Virginia 22314*

*National Credit Union Administration
Office of Small Credit Union Initiatives
Community Development Revolving Loan Fund*

**Application
Urgent Needs Grant - 2007**

1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. CONTACT NAME/TITLE	
5. CONTACT PHONE	
6. CREDIT UNION FAX NUMBER	
7. CREDIT UNION EMAIL ADDRESS	
8. CREDIT UNION CHARTER NUMBER	
9. CREDIT UNION EMPLOYER TAX ID NUMBER	
10. CREDIT UNION DUN AND BRADSTREET UNIVERSAL NUMBERING SYSTEM NUMBER	
11. AMOUNT REQUESTED	\$
12. NAME AND TITLE OF AUTHORIZED INDIVIDUAL	
13. SIGNATURE	

*By signing above, the credit union representative (1) is certifying that the credit union remains low-income designated, as defined in NCUA's Rules and Regulations; and (2) is committing the credit union to working toward the objectives of the CDRLF as described in the grant guidelines and in the application.

Please read all instructions and guidelines thoroughly before completing the application.

Answer the following questions. Attach separate sheets for your responses.

1. Describe fully the activity or project that the grant will cover.
2. Describe how this request meets the criteria of an Urgent Needs grant, as listed under the heading “What Is Considered An Urgent Need?”
3. Explain how this item resulted in an unplanned and/or unexpected expense for the credit union.
4. What is the total cost of implementing the project or undertaking the activity—including grant awards from NCUA, the credit union’s own monies, grants from other partners, and all other funds provided to complete the project:?

Total cost of the project—

NCUA grant: \$ _____

Other funds: \$ _____

Total Cost of Project \$ _____

5. Provide a list of vendors who will deliver the goods and/or services, and an itemized list of costs associated with the project.

Please provide your response in the format shown below. List costs in order of most to least important.

Vendor Name	Item Description	Cost of Item
(1) <u>Example Company</u>	<u>1 Thing</u>	<u>\$ 500.00</u> (most important)
(2) <u>Sample, Inc.</u>	<u>4 Things @ \$100.00</u>	<u>\$ 400.00</u> (least important)

6. Attach copies of bids, estimates, prices, and other supporting information.
7. How will the proceeds of the grant improve the operations or the financial condition of the credit union?

General Guidelines for Technical Assistance Grants for Credit Unions

Urgent Needs Grant -2007

Instructions

1. Enter the full legal name of the credit union. (EG: Mammoth Employees Federal Credit Union or Middle America Credit Union)
2. Enter the mailing address of the credit union, including suite number, building number, floor, or any additional required address information.
3. Enter the City, State, and ZIP code corresponding to the mailing address of the credit union.
4. Enter the name and title of the individual to whom questions regarding this grant application should be addressed.
5. Enter the telephone number of the contact person listed in item 4 above.
6. Enter the fax number of the credit union, if none, enter “none.”
7. Enter the credit union’s email address (format should be credit.union@ncua.gov), if none, enter “none.”
8. Enter the credit union’s charter number.
9. Enter the credit union’s 9 digit employer tax ID number.
10. Enter the credit union’s 9 digit Dun and Bradstreet Universal Numbering System (DUNS) Number. Dun and Bradstreet Universal Numbering System (DUNS) numbers may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.
11. Enter the dollar amount of the grant amount that the credit union is requesting.
12. Type or print the name and title of the individual who is authorized to sign on behalf of the credit union.
13. The individual named in question 12 above must sign the front page of this application.

Questions regarding completing this application can be directed to the Office of Small Credit Union Initiatives at

National Credit Union Administration
Office of Small Credit Union Initiatives
1775 Duke Street
Alexandria, VA 22314

(703) 518-6610—phone
(703) 519-4088—facsimile
oscuiapps@ncua.gov—email

Guidelines

What is the Purpose of the Community Development Revolving Loan Fund?

The National Credit Union Administration's (NCUA's) Community Development Revolving Loan Fund (CDRLF) was established by Congress to support credit unions that serve low-income communities by making loans and TAGs available to qualifying institutions. Low-interest loans/deposits are made available to low-income designated credit unions to enhance their financial capacity to, in turn, extend financial services to their members.

Congress appropriates funds to the CDRLF for loans and grants. The interest earned on loans is also available as a source of additional funds retained by the program for grant purposes.

What is the objective of Technical Assistance Grants?

The objective, or desired outcome, of technical assistance grants is to:

- Improve the quality of financial services to members;
- Make the operations of low-income credit unions more efficient; and, ultimately
- Stimulate economic activities in the communities served by the credit unions.

By applying for technical assistance grant funds, the credit union is committing to working toward the purpose of the CDRLF and the objective of a technical assistance grant.

Which credit unions are eligible to apply?

To participate in the Program, a federally chartered credit union must be currently designated as a "low-income" credit union as set forth in NCUA's Rules and Regulations, Section 701.34. A state chartered credit union must have the equivalent low-income designation from its respective state supervisory authority (SSA) and concurrence from NCUA.

In addition, based on an Office of Management and Budget (OMB) policy directive effective October 31, 2003, credit unions must have a Dun and Bradstreet Universal Numbering System (DUNS) number in order to be eligible to receive grant or loan funding from the CDRLF. As of this printing, a DUNS number may be obtained by calling Dun and Bradstreet, toll-free, at 1-866-705-5711.

How does the grant payment process work?

- First, credit unions must apply for a grant before making any expenditure.
- After receiving a grant approval letter, the credit union may purchase the goods or spend the funds, up to the amount approved.
- After making the expenditure, the credit union must then submit copies of receipts and proof of payment to NCUA for reimbursement.
- NCUA will review the receipts and issue a check to reimburse approved expenditures.
- All requests for reimbursement must be received before the end of the commitment period listed in the grant award letter.
- OSCUI will not process applications that are incomplete. Credit unions may resubmit a grant application, provided the submission deadline has not passed.

What is considered an urgent need?

The urgent needs grant is provided to ensure the continued growth and viability of a credit union with an immediate and pressing need for improving its financial condition or operations.

Urgent needs are those items or incidents that result in unplanned or unexpected costs to the credit union.

In its application, the credit union must definitively demonstrate that failing to implement the project, undertake the activity, or purchase the item, would adversely affect the credit union's operations or financial condition. Credit unions that cannot fund the project without an adverse impact on the credit union's financial condition will receive priority consideration.

The use for the grant funds described in this application would typically not fit under another grant initiative. The primary purpose of a request for an urgent needs grant must remain consistent with the overall purpose and intent of the CDRLF program.

Examples of urgent needs might include, but are not limited to activities such as repairing damage that is not covered by insurance, updating records; collecting on delinquent loans; or replacing equipment not covered by insurance.

Examples of items that would not be considered urgent needs are replacing obsolete or outdated equipment; replacement can be planned in advance. Training and marketing expenses are not considered Urgent Needs; these items can be requested under other CDRLF initiatives. Funding for salaries, annual audits, and other operating costs are not considered Urgent Needs; these expenses are recurring.

Credit unions that cannot fund the project without an adverse impact on the credit union's financial condition will receive priority consideration.

How much money is available?

This grant is funded from the Community Development Loan Fund's earnings. Credit unions may request up to \$3,000.

What are the application deadlines?

This grant is open year-round, and has no closing date. Applications are evaluated as they are received.

What is the method for evaluating the grant applications?

Grant applications will be evaluated based on financial and non-financial factors as listed below.

Financial factors include the following:

CAMEL Rating

Net Worth Ratio

Delinquency Ratio

Return on Assets Ratio.

Financial factors are used to determine the financial condition of the credit union and its likelihood of continued successful operations.

Non-Financial factors include the following:

Assessment of Management is a determination of whether management has been responsive to examiners and whether management has the ability to carry out the project described in the grant application.

Purpose is a determination of whether the outcome of the project, as described in the grant application, coincides with the purpose of the CDRLF as described in Section 705.2 of the NCUA's Rules and Regulations. That purpose would be: (1) providing basic financial and related services to residents in their communities; and (2) stimulating economic activities in the communities they serve which will result in increased income, ownership and employment opportunities for low-income residents, and other community growth efforts.

Assessment of Impact is a determination of the scope and reach of the proposed use of the grant funds. Grant applications which indicate that grant funds will have an impact on credit union members and the community as whole receive priority consideration.

Previous Funding is a determination of whether the credit union has received previous CDRLF grant funding. Credit unions which have NOT received funding in the past will receive priority consideration.

Ability to Self-Fund is an assessment of the credit union's net worth, cash, and liquidity to determine whether the credit union has the ability to fund the project on its own. Priority consideration is given to those credit unions which cannot completely fund the project described in the grant application without an adverse effect on the credit union's financial condition.

Partnerships is a determination of whether the credit union has developed other partner relationships and has considered other sources of grant funds.

Urgency is defined as a circumstance where a credit union has a compelling need for immediate action or attention and where receipt of a grant is expected to mitigate that urgency. Grant funds would ensure the continued growth and viability of the credit union. The application should demonstrate that failing to implement the project would adversely affect the credit union's operations or financial condition.

What information needs to be submitted with the grant application?

Credit unions must submit a completed Technical Assistance Grant Application.

Incomplete grant applications will not be considered. OSCUI will notify the credit union if the grant application is incomplete. Credit unions may resubmit a completed application.

Where should completed applications be submitted?

Applications may be faxed to: (703) 519-4088

Applications may be emailed to: oscuiapps@ncua.gov

Credit unions that are unable to fax or email applications should telephone the Office at (703) 518-6610.

When will credit unions know about grant awards?

Applicants will be notified of the award decisions generally within 15 business days after OSCUI receives the grant application.

What is the reporting requirement after receiving a grant?

Credit unions receiving awards must provide to OSCUI a summary of the impact of the grant funding on the credit union's operations. The summary should discuss the overall project and how the funding enabled the credit union to accomplish its objective. Credit unions must specify the impact that grant funds have had on the credit union's delivery of service and the consequences upon the community the credit union serves.

The time frame for submitting the summary is generally 6 months after receiving the grant, and will be restated in the award letter. The submission deadline is established to allow reasonable time for the credit union to ascertain the benefits of the grant.

A formatted summary form will be sent to the credit union with the grant award letter.

Summaries may be faxed to: 703-519-4088
Summaries may be emailed to: oscuiapps@ncua.gov

Is there anything that would cause an application to be immediately denied?

Yes.

1. Grants from the CDRLF are reimbursable grants. Credit unions applying for TAGs must obtain approval of the proposed expenditures before making those expenditures. Therefore, the OSCUI will not fund any grant where the credit union has committed to, procured, or purchased the good or service in advance of grant approval.

2. TAG funds are not provided for recurring operational expenses such as salaries, rent, maintenance agreements, annual audits, funding for the allowance for loan losses, or office supplies.

Salaries to employees are not reimbursable under any CDRLF grant initiative. An individual is considered an employee if the credit union withholds income taxes, withholds and pays Social Security and Medicare taxes, and pays unemployment tax on wages paid.

Expenses for contractors may be reimbursable under certain grant initiatives. In general, the credit union would not withhold or pay any taxes on payments to independent contractors.

3. Credit unions may not use TAG funds to provide funds to members, such as funding the matching portion of an IDA program or providing gift cards to members.

4. TAG funds may not be used to reimburse NCUA for any activity.

How can credit unions contact the office with questions?

Credit unions can contact the office at

Office of Small Credit Union Initiatives
National Credit Union Administration
1775 Duke Street
Alexandria, Virginia 22314

Phone: (703) 518-6610
Fax: (703) 519-4088
Email: oscuiapps@ncua.gov

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Grant Outcome Summary Urgent Needs Grant - 2007
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1. CREDIT UNION NAME	
2. MAILING ADDRESS	
MAILING ADDRESS, CON'T	
3. CITY, STATE, ZIP	
4. CREDIT UNION CHARTER NUMBER	
5. COMMITMENT NUMBER	

1. Describe briefly how the credit union used the grant funds.
2. Did the grant help your credit's operations and/or financial condition? If so, describe.
3. Total cost of the project—including grant awards from NCUA, the credit union's own monies, grants from other partners, and all other funds provided to complete the project:

NCUA grant: \$ _____

Other funds: \$ _____

Total Cost of Project \$ _____

4. How many members does the credit union currently serve?
6. Attach separate sheets to describe the grant outcome in more detail.

Please note that your credit union's success stories provide invaluable supporting information when we request annual appropriations from Congress to replenish the grant and loan fund.